

---

STATUTORY INSTRUMENTS

---

**2000 No. 1049**

**The Pensions on Divorce etc. (Charging) Regulations 2000**

**General requirements as to charges**

2.—(1) Subject to paragraph (8), a person responsible for a pension arrangement shall not recover any charges incurred in connection with—

- (a) the provision of information under—
  - (i) regulation 2 of the Provision of Information Regulations (basic information about pensions and divorce);
  - (ii) regulation 4 of those Regulations (provision of information in response to a notification that a pension sharing order or provision may be made); or
  - (iii) regulation 10 of those Regulations (provision of information after receipt of an earmarking order);
- (b) complying with any order specified in section 24 of the 1999 Act (charges by pension arrangements in relation to earmarking orders); or
- (c) any description of pension sharing activity specified in regulation 5 of these Regulations,

unless he has complied with the requirements of paragraphs (2) to (5).

(2) The requirements mentioned in paragraph (1) are that the person responsible for a pension arrangement shall, before a pension sharing order or provision is made—

- (a) inform the member or his spouse, as the case may be, in writing of his intention to recover costs incurred in connection with any of the matters specified in sub-paragraph (a), (b) or (c) of paragraph (1); and
- (b) provide the member or his spouse, as the case may be, with a written schedule of charges in accordance with paragraphs (3) and (4) in respect of those matters specified in sub-paragraph (a) or (c) of paragraph (1) for which a charge may be recoverable.

(3) No charge shall be recoverable in respect of any of the items mentioned in paragraph (4) unless the person responsible for a pension arrangement has specified in the written schedule of charges mentioned in paragraph (2)(b) that a charge may be recoverable in respect of that item.

(4) The items referred to in paragraph (3) are—

- (a) the provision of a cash equivalent other than one which is provided in accordance with the provisions of—
  - (i) section 93A or 94 of the 1993 Act<sup>(1)</sup> (salary related schemes: right to statement of entitlement, and right to cash equivalent);
  - (ii) regulation 11(1) of the Occupational Pension Schemes (Transfer Values) Regulations 1996<sup>(2)</sup> (disclosure); or

---

<sup>(1)</sup> Section 93A was inserted by section 153 of the Pensions Act 1995. Section 94 was amended by section 154 of the Pensions Act 1995.

<sup>(2)</sup> S.I.1996/1847 to which there are amendments not relevant to these Regulations.

- (iii) regulation 5 (information to be made available to individuals) of, and paragraph 2(b) of Schedule 2 (provision of cash equivalent) to the Personal Pension Schemes (Disclosure of Information) Regulations 1987<sup>(3)</sup>;
- (b) subject to regulation 3(2)(b) or (c), as the case may be, the provision of a valuation in accordance with regulation 2(2) of the Provision of Information Regulations;
- (c) whether a person responsible for a pension arrangement intends to recover the cost of providing membership of the pension arrangement to the person entitled to a pension credit, before or after the pension sharing order is implemented;
- (d) whether the person responsible for a pension arrangement intends to recover additional charges in the circumstances prescribed in regulation 6 of these Regulations in respect of pension sharing activity described in regulation 5 of these Regulations;
- (e) whether the charges are inclusive or exclusive of value added tax, where the person responsible for a pension arrangement is required to charge value added tax in accordance with the provisions of the Value Added Tax Act 1994<sup>(4)</sup>;
- (f) periodical charges in respect of pension sharing activity which the person responsible for a pension arrangement may make when a person entitled to a pension credit becomes a member of the pension arrangement from which the pension credit is derived;
- (g) whether the person responsible for a pension arrangement intends to recover charges specified in regulation 10 of these Regulations.
- (5) In the case of the cost referred to in paragraph (4)(c) or the charges to be imposed in respect of pension sharing activity described in regulation 5 of these Regulations, the person responsible for a pension arrangement shall provide—
- (a) a single estimate of the overall cost of the pension sharing activity;
- (b) a range of estimates of the overall cost of the pension sharing activity which is dependent upon the complexity of an individual case; or
- (c) a breakdown of the cost of each element of pension sharing activity for which a charge shall be made.
- (6) Subject to regulation 9(3) and (4), a person responsible for a pension arrangement shall recover only those sums which represent the reasonable administrative expenses which he has incurred or is likely to incur in connection with any of the activities mentioned in paragraph (1), or in relation to a pension sharing order having been made the subject of an application for leave to appeal out of time.
- (7) The requirements of paragraph (2) do not apply in connection with the recovery by a person responsible for a pension arrangement of costs incurred in relation to a pension sharing order having been made the subject of an application for leave to appeal out of time.
- (8) Unless the person responsible for the pension arrangement has furnished the information specified in regulation 2(2) and (3) of the Provision of Information Regulations to the member or his spouse, on request, or the court, within a period of 12 months immediately prior to the date of the request for, or the court order for the provision of, that information, the information shall be provided to the member or, where appropriate, his spouse, without charge.

<sup>(3)</sup> S.I. 1987/1110; relevant amending instruments are S.I. 1988/474, 1992/1531, 1994/1062, 1996/776, 1996/1435 and 1997/786.

<sup>(4)</sup> 1994 c. 23.